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EU Egg Prices

Egg prices in the EU were extremely strong for late 2003 and early 2004. The European Union experienced a shortage of eggs in 2003 due to a number of factors. The main factor was last year's outbreak of avian influenza in the Netherlands, which resulted in almost 16 million layers being culled. In 2003, the Netherlands's annual egg production fell 26.7 percent and chick placements fell 30.2 percent. Without AI production would have been expected to drop 10 percent as a result of the buy-out scheme.

Also, the hot summer resulted in the increased mortality and reduced productivity of hens in some regions of the EU. In 2003 minimum space requirements increased by 20 percent, from 450 to 550 square centimeters, meaning 20 percent fewer birds in the same space. Finally, the German Government passed a national regulation on the welfare of laying hens which will result in a total ban on the construction of new conventional cages by 2007. This is stricter than the general requirements for the EU and does not encourage investing in laying hen facilities in Germany.

Strong egg markets encouraged expansion in the laying flocks, which quickly raised egg production. For the EU, chick placements during 2003 showed a provisional increase of 1.3 percent compared to 2002 (273,463,000 compared to 269,864,000).

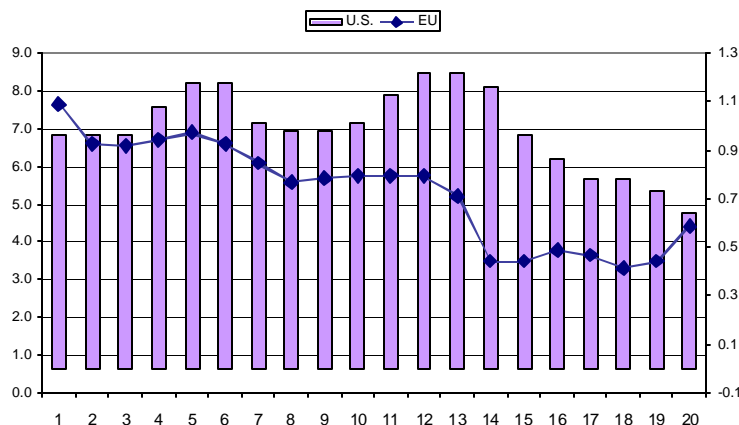
Chicks Placed and Shell Eggs Produced.

Comparisons same period a year ago, % Change

Chick Placements	Egg Production		
	1st half 2003	1st half 2003	2nd half 2004 forecast
Austria	+ 21.4*	+4.4	n/c
Belgium	+19.8*	+ 1.7	+ 5.4
Denmark	+ 1.1	n/c	n/c
Finland	+ 3.2	+ 8.3	+ 3.4
France	+ 0.5	- 1.3	- .4
Germany	+ 21.3*	- 6.4*	- 2.3
Greece	+ 23.9	+23.8	+ 8.0
Portugal	+ 21.7	- 6.1	+ 4.8
Sweden	+15.0	+ 4.9	+ 6.7
UK	+ 4.7	- 3.1	+ 1.2
Ireland	- 24.7	- 23.6	n/c
Italy	- 5.0	- 2.9	- 3.2
Spain	- 2.0	+ 8.7	n/c
Netherlands	- 8.4*	- 4.7	+ 42.2

*Austria and Belgium are July-November, Germany and the Netherlands are provisional, Ireland is July-September,

U.S. and EU Egg Prices by week, 2004



US - Northeast Region cartoned large white eggs, in dozens, in US\$
EU - loose graded white eggs, 360 eggs per case, in Euros

The weekly average price for large and standard grade eggs fell from €7.65 at the beginning of 2004 to a low of €3.30 per 100 eggs in early May. At the same time production costs have increased. According to one source, the cost of feeding a laying hen in March 2004 was 22 percent more expensive than in March 2003 and 15.6 percent more expensive than in 2002. Traditionally eggs increase in value going into Easter, however this year prices actually fell. Producers in several countries will accelerate the removal of spent hens to compensate. Slaughter houses in Europe are already overloaded and hen prices have collapsed. Some farms have been unable to pay transport costs, and at least one company has filed for bankruptcy.

Sources: International Egg Commission, United Nations Food and Agriculture Organization, USDA/FAS, USDA/AMS Poultry Market News, various news wires

Highly Pathogenic Avian Influenza in Thailand

On May 24, a new case of Highly Pathogenic Avian Influenza (HPAI) was detected in a university training farm where various avian species were kept in nearby houses. The affected birds were housed in ventilated houses located in the same cluster. The University is involved in research preventing HPAI and Thai officials said the new outbreak could have been triggered accidentally. There were 2,048 birds affected.

Source: OIE, news wires

Selling Prices of Fresh eggs (whole country) EURO/100 Eggs (excl. VAT)

Country	2002					2003								
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Germany	6.12	6.12	6.14	6.37	6.53	6.90	7.27	7.04	7.10	7.75	7.95	7.42	7.10	6.95
France	3.49	3.57	3.65	4.22	4.66	5.14	5.30	4.57	4.53	4.91	4.79	4.64	4.10	3.76
Ireland	5.50	5.46	5.46	5.49	5.46	5.46	5.46	5.19	5.19	5.19	5.19	5.19	5.19	5.19
Netherlands	3.46	3.57	3.83	4.32	4.87	5.26	5.27	4.50	4.64	5.59	5.58	4.59	4.23	4.04
UK	4.08	4.15	3.58	3.57	4.79	4.91	4.87	4.79	4.70	4.62	4.62	4.46	4.53	4.91

Source: European Commission, Agricultural Statistics, Eurostat

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending May 22, 2004		Year-To-Date	
TYPE	2004	2003 /1	2004 2003
LIQUID	273	463	3,334 5,678
FROZEN	0	0	0 63
DRIED	0	41	238 217
TOTAL	273	504	3,572 5,958

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending May 22, 2004		Year-To-Date	
TYPE	2004	2003 /1	2004 2003
LIQUID	354	106	1,894 2,032
FROZEN	14	42	630 1,362
DRIED	40	80	1,259 560
TOTAL	408	228	3,783 3,954

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending May 22, 2004		Year-To-Date	
TYPE	2004	2003 /1	2004 2003
JUMBO	30	15	146 181
EXTRA LARGE	780	1,040	11,027 6,000
LARGE	3,960	3,685	29,933 27,316
MEDIUM	1,560	750	26,220 23,032
UNGRADED	8,937	0	105,572 20,046
MISC	2,430	0	12,044 3,432
TOTAL	17,697	5,490	184,942 80,007

/1Comparable Week, to-date figures may not total due to rounding.

Data Source: Agriculture Canada, Poultry Development Division.

Source: USDA/AMS Poultry Programs, Market News Branch.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 22-May-04
(PRELIMINARY)**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	1,472	1,365	2,837
LAST WEEK	1,410	1,214	2,624
SAME WEEK YR AGO	1,624	1,463	3,087
TO-DATE/2004	26,267	25,538	51,805
TO-DATE/2003	34,140	26,709	60,849

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	334	0	334
LAST WEEK	310	8	318
SAME WEEK YR AGO	58	0	58
TO-DATE/2004	4,853	61	4,914
TO-DATE/2003	5,306	64	5,370

Source: Agriculture Canada, Poultry Development Division

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	1,806	1,365	3,171
LAST WEEK	1,720	1,222	2,942
SAME WEEK YR AGO	1,682	1,463	3,145
TO-DATE/2004	31,120	25,599	56,719
TO-DATE/2003	39,446	26,773	66,219

Source: USDA/AMS Poultry Programs, Market News Branch

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

		May 28, 2004	
		PRICES	VOLUME
		(Cents per Pound)	

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

		May 28, 2004	
		PRICES	VOLUME
		(Cents per Pound)	

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	17.00	122,400	-
WTD AVERAGE		17.00		
15-20%				
RANGE	13.75-22.00	11.50-16.00	2,762,400	1,459,200
WTD AVERAGE	15.97	13.50		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

		May 28, 2004	
		PRICES	VOLUME
		(Cents per Pound)	

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

		May 28, 2004	
		PRICES	VOLUME
		(Cents per Pound)	

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	13.50-16.00	16.00	1,040,000	520,000
WTD AVERAGE	14.91	16.00		
15-20%				
RANGE	16.00-20.00	12.50-17.50	2,688,000	728,000
WTD AVERAGE	18.00	14.47		
20% OR MORE				
RANGE	-	12.00	200,000	-
WTD AVERAGE		12.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 28 MAY 2004.

The market tone was steady on fresh tom breast meat and trading was fair for the adequate supplies. Light trading on fresh destrapped tenders was at unchanged prices. Fresh ground breast trim sold at 111 to 115, fresh scapula at 104 to 110, mostly 104 to 105 delivered. Tom v-type wings traded in a wider range, tom drums about steady, tom necks trended lower. A fair volume of fresh mechanically separated turkey moved at unchanged levels. Export trading was limited to fresh tom drums at 32-33 cents delivered border for June shipment.

FRIDAY, MAY 28, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		R	31.92	240	32.34	362
WINGS FULL-CUT - TOMS		R	39.00	40	39.00	40
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		R	74.25	80	80.16	384

THURSDAY, MAY 27, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.00-34.00		31.92	240
WINGS FULL-CUT - TOMS	39.00		39.00	40
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	73.50-75.00		74.25	80

WEDNESDAY, MAY 26, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	32.50-34.00		33.16	122
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	80.00-85.00		81.71	304

TUESDAY, MAY 25, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	35.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	83.00	40

MONDAY, MAY 24, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	35.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		M	35.50	40
		F	83.00	40

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.